

PROCARE ONE NURSES, LLC
A Subsidiary of Horizon Health Corporation
**SUPPLEMENTAL STAFFING, LONG TERM
AND TRAVEL NURSE AGREEMENT**

This Agreement is entered into this 30th day of November, 2004, by and between the County of San Bernardino on behalf of Arrowhead Regional Medical Center, hereafter "Client", and ProCare One Nurses, LLC, a Delaware limited liability company, hereafter "ProCare One".

RECITALS

WHEREAS, ProCare One is a licensed temporary staffing agency in the business of providing supplemental staffing to medical care providers and Client desires ProCare One to provide, when requested and on a non-exclusive basis, supplemental temporary staffing;

NOW, THEREFORE, Client and ProCare One hereby agree as follows:

1. SERVICES.

1.1 Upon request by Client, ProCare One shall use its best efforts to assign temporary, supplemental personnel (hereinafter "Staff") to Client in accordance with all the provisions of this Agreement. This Agreement does not constitute an exclusive engagement. ProCare One is not prohibited from assigning Staff to other entities and Client is not obligated to use ProCare One exclusively or at all

1.2 ProCare One agrees to use its best efforts to provide Client qualified personnel ("Qualified Staff") as requested by Client. Qualified Staff shall have at least one (1) year of prior work experience in a United States Client in the specialty area to which assigned at Client. Qualified Staff shall also possess a valid license to practice their profession in the State of California, as well as any other professional certifications required for the practice of their specialty. Client shall have the right to reject the assignment of any individual who it deems fails to satisfy the criteria for Qualified Staff.

2. REQUESTS FOR STAFF AND SCHEDULING.

2.1 Client shall use its best efforts to request Staff at least two (2) hours prior to the applicable reporting time. When Client requests Staff less than one (1) hour prior to the scheduled start of a shift, ProCare One will be paid for that Staff from the scheduled start of the shift, provided Staff actually report to and commence work within one (1) hour after the scheduled start of the shift. If Staff actually report to and commence work later than one (1) hour after the scheduled start of the shift, ProCare One will only be paid for all actual hours worked. Prior to two (2) hours before the scheduled start of a shift or assignment, Client may change or cancel a request for Staff without incurring any liability to ProCare One. When Client requests staff after the start of a shift, ProCare One will be paid from the time of confirmation so long as the person reports to work within one hour of the confirmation. Should the Staff report later than one hour, ProCare One will only be paid for all actual hours worked.

2.2 When Client cancels a request for Staff less than two (2) hours before the scheduled start of a shift or assignment, and Staff cannot be contacted by ProCare One prior to reporting to Client for work, Client will pay ProCare One for two (2) hours per the rate structure for that Staff in effect at the time of cancellation.

2.3 If Staff is no longer needed by Client after reporting for work and beginning his or her assignment, Staff may be called-off by Client. If Staff is called-off by Client, ProCare One shall be paid for the actual number of hours worked by Staff or (2) hours, whichever is greater, per the rate structure in effect at the time of the call-off.

2.4 When ProCare One cancels the assignment of Staff made in response to a request by Client for Staff less than one (1) hour prior to the scheduled start of a shift or assignment, ProCare One shall pay to Client a late cancellation fee of one (1) hour per the rate structure for that Staff in effect at the time of the cancellation if the Client requests it.

2.5 If Staff does not report for work to Client as scheduled, or reports to work and does not satisfy the criteria for Qualified Staff, or is physically or emotionally incapable of performing his/her duties, or refuses an appropriate assignment, or has previously been placed on a "do not send" list, or fails to display a photo identification badge provided by ProCare One, or fails to produce evidence of an original license or other appropriate credentials, ProCare One shall pay to Client a "no show" fee of two (2) hours per the rate structure for that Staff in effect at that time. The determination that Staff does not satisfy the criteria for Qualified Staff or is otherwise incapable of performing assigned work shall be made in good faith by and in the sole discretion of the Client. Client shall immediately inform ProCare One once such a determination is made

2.6 Staff must sign in and out on daily time sheets provided by ProCare One and maintained by Client.

2.7 Client shall permit Agency Staff to take rest and meal breaks as required by any federal or state law, rule or regulation.

3. REQUESTS FOR LONG TERM, TRAVEL STAFF AND SCHEDULING. Client may request ProCare One to assign staff for long-term assignments or to provide travel nurses. In the case of long-term staff or travel nurses, the Client will place the staff on a unit schedule for an agreed upon number of shifts per pay period. The length of the long-term assignment, the assigned unit, and the shift(s) shall be defined in an individual written "Memorandum of Assignment" for each such assignment signed by Client and ProCare One. Except as may be otherwise specified in the Memorandum of Assignment, all the provisions of this Agreement shall apply to long-term and travel assignments.

4. TRAINING AND POLICIES AND PROCEDURES.

4.1 Client shall retain the sole responsibility for directing the care provided by ProCare One Staff.

4.2 If Client concludes, in its sole discretion, that Staff assigned to Client by ProCare One are not performing their duties in a satisfactory manner or that Staff otherwise fail to satisfy the criteria for Qualified Staff, said Staff shall not be permitted to continue working at Client and Client shall be under no obligation for fees or costs to ProCare One for such Staff. Under such circumstances, Client may immediately terminate Staff's assignment and ask Staff to leave Client property. Client shall immediately inform ProCare One of any such action, but Client shall have no obligation to pay ProCare One for Staff so released.

4.3 ProCare One shall provide the following service programs to nurses at ProCare One's expense: (a) BCLS; (b) Fire & Safety; (c) Infection Control; (d) Blood Borne Pathogens; (e) Hazardous Materials and (f) programs that are or may be required by local, state and/or federal agency, regulation, law or statute. ProCare One must retain documents that prove such training occurred and that staff attended for three years after the class and have documentation available upon request by Client.

4.4 Client shall provide written information to ProCare One for the purpose of orienting Staff prior to their first assignment at Client. When Staff first commences work at Client, Client shall provide on-site orientation to the assigned patient care unit, as well as provide Staff with information about the location of emergency exits, how to call an emergency, the location of the emergency carts, safety requirements and other information which Client requires Staff to know.

4.5 ProCare One Staff on arrival at Client must present the following documentation to Client: (a) Current and unrestricted nursing license and/or certification; (b) Photo identification in the form of a current drivers license or identification card; (c) Current approved Basic Cardiac Life Support (BCLS); and (d) current specialty area certification such as ACLS, PALS and Neonatal Resuscitation as applicable.

5. EMPLOYMENT STATUS OF STAFF. Staff assigned by ProCare One to Client under this Agreement are employees of ProCare One and are not employees or agents of Client. ProCare One shall treat all Staff assigned to Client as employees of ProCare One for federal, state and local tax withholding purposes and not as independent contractors. All Staff assigned to Client by ProCare One shall be employees of ProCare One and ProCare One shall be solely responsible for satisfying all state and/or federal wage and hour requirements applicable to said Staff. Overtime, premium pay and all employee benefits are the sole responsibility of ProCare One as the employer of Staff. In the event that any court, enforcement agency, government entity, arbitrator or other adjudicator determines that Client is a joint employer of Staff for purposes of state and/or federal wage and hour laws, ProCare One agrees to pay the entire costs of Client's legal defense of any wage and hour claims by Staff and to fully indemnify Client for any liabilities that may be imposed on Client as a result of such claims.

6. FEES AND INVOICING.

6.1 The schedule of rates appended to this agreement as Exhibit A.1 shall be the schedule of rates charged Client by ProCare One for per diem staff. These rates shall be effective for twelve (12) months, beginning on the effective date of this Agreement. These rates represent the rate to be charged to Client for Staff. In the event of termination of this Agreement and the Client continues to utilize ProCare One staff, the fees payable to ProCare One will be based on the then current standard rates charged by ProCare One.

6.2 ProCare One will invoice Client weekly for services provided hereunder, and such invoices shall be subject to the credit terms set forth in this contract. All invoices shall be serially numbered and shall contain the following information by specific Client unit/department: (a) Staff's name; (b) Date and shift worked; (c) Total hours worked; (d) Hourly rate; (e) Total charge; and (f) Cost Center worked (if applicable).

6.3 The credit terms for invoices under this Agreement shall be net thirty (30) days.

7. INSURANCE.

7. ProCare One shall secure and maintain throughout this Agreement the following types of insurance of self-insurance with limits as shown,

7.1 Workers' Compensation Program

A program of Workers' Compensation Insurance of a State approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits, covering all persons providing services on behalf of ProCare and all risks to such persons under this Agreement.

7.2 Comprehensive General and Automobile Liability Insurance

This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

7.3 Professional Liability Insurance

This coverage shall have limits of at least one million (\$1,000,000) per claim or occurrence.

7.4 Comparative Fault

In the event Client and/or ProCare One are found to be comparatively at fault for any claim, action, loss or damage, which results from their respective obligations under this agreement, Client and/or ProCare One shall indemnify the other to the extent of its comparative fault.

7.5 Additional Named Insured

All policies, except for Worker's Compensation and Professional Liability policies, shall contain additional endorsements naming Client and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder.

7.6 Waiver of Subrogation Rights

ProCare One shall require the carriers of Workers' Compensation Insurance and Automobile Liability Insurance to waive all rights of subrogation against Client, its officers, employees, agents, volunteers, contractors or subcontractors.

7.7 Policies Primary and Non-Contributory

All policies required above are primary and non-contributory with any insurance or self-insurance programs carried or administered by Client.

7.8 Proof of Coverage

ProCare One shall immediately furnish certificates of coverage to Client evidencing the coverage, including

endorsements above required, prior to the commencement of the performance of services hereunder, which certificates shall provide that such coverage shall not be terminated or expire without ten (10) days written notice to Client, and ProCare One shall maintain such insurance or self-insurance from the time ProCare One commences performance of services hereunder until the completion of such services. ProCare One shall make available for inspection or review by Client or its authorized representatives certified copies of all insurance policies and trust documents upon which ProCare One relies in providing the required coverage upon demand.

7.9 Insurance Review

The above insurance requirements are subject to periodic review by Client. Client's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interest of Client. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of the past claims against Client, inflation, or any other item reasonably related to Client's risk.

Any such reduction or waiver for the entire term of the Agreement and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. ProCare One agrees to execute any such amendment within thirty (30) days of receipt.

7.10 Client is a self-insured public entity for purposes of professional liability, general liability, and Worker's Compensation. Client warrants that through its program of self-insurance, it has adequate professional liability, general liability and Workers' Compensation to provide coverage for liabilities arising out of Client's performance of this Agreement.

7.11 Client, upon the execution of this Agreement, shall furnish ProCare One with certificates of self-insurance evidencing compliance with all requirements.

8. TERM AND TERMINATION. This Agreement shall be effective from the date of execution through June 30, 2005. This Agreement may be terminated by either party, at any time, for any reason or no reason, upon thirty (30) days written notice to the other party.

9. ACCESS TO BOOKS AND RECORDS.

9.1 ProCare One agrees to make available upon the written request of the Secretary of Health and Human Services or the Comptroller General, or their representatives, this Agreement and such books, documents and records as may be necessary to verify the nature and extent of the costs of the services rendered hereunder to the full extent required by the Health Care Financing Administration implementing Section 952 of the Omnibus Reconciliation Act of 1980, Public Law 96-4666, as contained in Section 1861 (v)(i)(I) of the Social Security Act, as amended, and the implementing regulations at 42 C.F.R. Part 420.

9.2 If ProCare One carries out any of the duties of this Agreement through a sub-contract with a value or cost of \$10,000 or more over a twelve (12) month period, with a related organization, such sub-contract shall contain a clause to the effect that until four (4) years after the furnishing of such services pursuant to such sub-contract, the related organization shall make available upon written request to the Secretary or Comptroller General, or any of their duly authorized representatives, the sub-contract books, documents and records of such organization that are necessary to verify the exact nature of such costs.

9.3 Such books, documents and records shall be preserved and available for four (4) years after furnishing of services pursuant to this Agreement. Upon written request to disclose books, documents, or records pursuant to this subsection, Agency shall notify the facility of the nature and scope of such request, and shall provide Client comparable access to such books, documents, or records required to be provided to the government.

10. MEDICARE/MEDICAID PARTICIPATION. ProCare One hereby represents and warrants that neither ProCare One nor its principals (if applicable) are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in any federally funded health care program, including Medicare and Medicaid. In the event that ProCare One is debarred, suspended, declared ineligible, or excluded from participation in any federally funded health care program, this

Agreement shall, as of the effective date of such action, shall automatically terminate.

11. HIPAA COMPLIANCE. ProCare One agrees to comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 ("HIPAA"), and the requirements of any regulations promulgated there under including without limitation the federal privacy regulations as contained in 45 CFR Part 164 (the "Federal Privacy Regulations") and the federal security standards as contained in 45 CFR Part 142 (the Federal Security Regulations"). ProCare One agrees not to use or further disclose any protected health information, as defined in 45 CFR 164.504, or individually identifiable health information, as defined in 42 U.S.C. § 1320d (collectively, the "Protected Health Information"), concerning a patient other than as permitted by this Agreement and the requirements of HIPAA or regulations promulgated under HIPAA including without limitation the Federal Privacy Regulations and the Federal Security Regulations.

12. INDEMNIFICATION.

12.1 Except as provided in Section 12.2, below, ProCare One shall defend, indemnify and hold harmless Client, its agents, subcontractors, employees or other agents from and against any and all claims, demands liabilities, losses, damages, costs and expenses, including reasonable attorney's fees, liability, loss, cost, expense or damage whatsoever caused by any reason or any injury sustained by any person or to property by reason of any act, or omission of ProCare One or any of its agents, subcontractors, employees or other agents.

12.2 Notwithstanding the foregoing, nothing contained in this Agreement is intended, nor shall it be construed, to create any responsibility on the part of ProCare One for any liability, including but not limited to claims for damages, loss, cost, expense or damage arising out of the negligent or intentional acts or omissions of Client, its shareholders, employees, independent contractors, or agents, or arising out of the acts or omissions of employees of ProCare One in circumstances where the act or omission giving rise to a potential claim occurred at the specific direction of Client or its employees, independent contractors, or agents. Client shall defend, indemnify and hold harmless ProCare One, its agents, subcontractors, employees, or other agents from and against any and all claims, demands, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees, resulting in any manner, directly or indirectly, from any of the foregoing circumstances.

13. RECRUITMENT AND PLACEMENT OF PROCARE ONE NURSES. In the event Client hires directly, on any basis, any nurses referred to Client by ProCare One within 120 days of such nurse's last referral to Client by ProCare One, Client shall pay to ProCare One the sum of \$10,000.00 (Ten Thousand Dollars). No recruitment fee will be invoiced to Client by ProCare One if 120-day waiting period is met.

14. MISCELLANEOUS.

14.1 This document contains the entire Agreement between the parties hereto and supersedes any and all prior negotiations, commitments, agreements and understandings between the parties. No representations or warranties, whether expressed or implied, have been made by any party except as expressly stated herein. No supplement, amendment or modification to this Agreement shall be made of any force or effect unless in writing and signed by both parties.

14.2 All disputes arising under, in connection with, concerning the interpretation, enforcement or breach of this Agreement shall be arbitrated by the appropriate County Office of the American Arbitration Association in accordance with its applicable commercial rules. The parties intend that the Arbitrator shall have the broadest power possible to conclusively resolve all such disputes.

14.3 Any notice to be made in connection with this Agreement shall be in writing and shall be deemed effectively given when delivered in person or sent by registered or certified mail, telegram or telex by one party to the other party as follows:

Client: The County of San Bernardino on behalf of
Arrowhead Regional Medical Center
400 North Pepper Avenue
Colton, CA 92324-1819
Attention: Director

ProCare One: Frank Baumann, Sr. V.P., Operations
ProCare One Nurses, LLC
2933 S. Pullman St. Suite B
Santa Ana, CA 92705

14.4 ProCare One is performing the services and duties hereunder as an independent contractor and not as an employee, agent, or partner of or in a joint venture with Client.

14.5 This Agreement may be executed in two or more counterparts, each of which shall constitute an agreement, but which together shall constitute one and the same agreement.

14.6 ProCare One agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent ProCare One. The information provided includes a list of former County Administrative Officials who terminated County employment within the last five (5) years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of ProCare. For purposes of this provision, "County Administrative Official" is defined as a member of the Board of Supervisors or such officer's staff, County Administrative Officer or member of such officer's staff, county department or group head, assistant department or group head, or any employee in the Exempt Unit, Management Unit or Safety Management Unit.

The undersigned have executed this Agreement as of the date first above written.

**The County of San Bernardino on behalf of
Arrowhead Regional Medical Center:**

By: _____

Title: _____

ProCare One Nurses, LLC:

By: _____

Title: _____

EXHIBIT A.1

**ProCare One Nurses, LLC
LONG TERM LOCAL OR TRAVEL NURSE RATE AGREEMENT**

ARROWHEAD REGIONAL MEDICAL CENTER

RN Hourly Rate for All Specialties (Excluding OR)

\$63.00 Per Hour

PM/NOC hourly shift differential will be invoiced at \$2.00 more per hour.

All shifts beginning at 3pm or after.

Overtime will be invoiced at time and one-half for all hours worked in excess of 8 hours in one workday, (Monday-Sunday) or for the first 8 hours on the seventh day in one workweek.

Two times the regular hourly rate will be invoiced for any hours worked in excess of 12 in one workday, or for any hours worked in excess of 8 on the seventh day of work in one workweek.

Holidays will be invoiced at time and one-half the regular hourly rate for the first eight hours, two times the regular rate after eight (8) up to twelve (12), and two and one-half times the regular rate for any hours worked in excess of twelve (12) in one workday.

New Year's Day – 3 PM on night prior to holiday through 7 AM of January 2nd.	40 hours
3 PM on night prior to holiday through 7AM of December 26th.	40 hours
Thanksgiving Day - 6 PM on night prior to holiday through 7AM of the day after the holiday.	37 hours
Memorial Day - 6 AM on the holiday through 7AM of the following day.	25 hours
July 4 th - 6AM on the holiday through 7AM of July 5 th .	25 hours
Labor Day - 6 AM on the holiday through 7AM of the following day.	25 hours

Term:

This fee schedule and the terms described herein shall apply to any ProCare One Long Term Local or Travel Nurse, effective 10/7/2004.